

UPPORTING STATEMENT FOR NEW AND REVISED INFORMATION COLLECTIONS

OMB CONTROL NUMBER 3038-0076

Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

Section 5b(a) of the Commodity Exchange Act (CEA) provides that a clearing organization may not perform the functions of a derivatives clearing organization (“DCO”) with respect to swaps unless the clearing organization is registered with the Commission. In order to register and maintain registration with the Commission, a DCO must comply with the DCO Core Principles and all applicable Commission regulations. This information collection, as a whole, covers the burden associated with various requirements under Part 39 of the Commission’s regulations, including applications for registration as a DCO, reporting and recordkeeping requirements for registered DCOs, and compliance with Subpart C of Part 39 by systemically important DCOs and DCOs electing to be subject to Subpart C.¹

The Commission is proposing regulations that would permit non-U.S. clearing organizations that do not pose substantial risk to the U.S. financial system to register with the Commission, yet comply with the core principles applicable to registered DCOs set forth in Section 5b(c)(2) of the CEA through compliance with their home country regulatory regime, subject to certain conditions and limitations. The information that would be collected under these proposed regulations is necessary for the Commission to determine whether a clearing organization qualifies for DCO registration pursuant to the alternative compliance procedures, to evaluate its continued eligibility for such status, to review compliance by such DCOs with any conditions the Commission has established, or to conduct oversight of U.S. persons and the swaps that are cleared by or for U.S. persons through such DCOs. The Commission is also reducing the number of registered DCO respondents currently covered by this collection based on the expectation that several existing DCOs and potential DCO applicants would choose to convert to, or apply for, registration with alternative compliance.

2. Indicate how, by whom, and for what purpose the data would be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

Proposed Regulation 39.3(a)(3) would establish the application procedures for registration with alternative compliance, and new Regulation 39.51 would set forth

¹ The Commission previously proposed to amend its Part 39 regulations and consolidate several collections of information. See 84 FR 21044 (May 13, 2019). The Commission’s proposed adoption of alternative compliance procedures for non-U.S. DCOs would result in additional changes to the information collection. The burden estimates discussed in this supporting statement have been prepared using the assumption that the changes in the May 13, 2019 proposal will be adopted. The additional changes discussed herein would affect Subparts A and B of Part 39, and add new Subpart D. None of the changes would affect Subpart C.

specific requirements for alternative compliance. As noted above, application data would be used to determine whether a non-U.S. clearing organization meets the requirements for alternative compliance status. Proposed Regulation 39.51 sets forth daily, periodic, and event-specific reporting requirements. Periodic reports required by the proposed regulations would include daily reporting of initial and variation margin requirements for each U.S. person, and total initial margin requirements for all clearing members, in each case with respect to swaps; and quarterly reporting of the list of its U.S. clearing members, with respect to the clearing of swaps, as of the last day of the fiscal quarter. Proposed § 39.51(b)(6) would require that the Commission receive an annual written representation from a home country regulator that the DCO is in good regulatory standing, within 60 days following the end of the DCO's fiscal year.

Information that would be required by these proposed regulations may be used by the Commission, among other things, for the purposes of evaluating the DCO's compliance with any conditions of its registration, evaluating the extent of swaps clearing activity by or on behalf of U.S. persons, and conducting oversight of U.S. persons and the swaps that are cleared for U.S. persons through the DCO.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

The information required by this collection is required to be filed electronically.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

To the maximum extent possible, the information collection was designed to avoid duplication. In all cases where it was possible to leverage information collections contained in other rulemakings, the Commission elected not to impose collections that would increase burden. The required information is not already collected by the Commission for any other purpose, collected by any other agency, or available for public disclosure through any other source. Each different type of information is needed given the purposes for which the data will be used, stated above in Questions 1 and 2.

5. If the collection of information involves small business or other small entities (Item 5 of OMB From 83-I), describe the methods used to minimize burden.

The required information does not involve any small businesses or other small entities.

6. Describe the consequence to the Federal Program or policy activities if the collection were conducted less frequently as well as any technical or legal obstacles to reducing burden.

If the collections were conducted less frequently, the Commission would not have sufficient information to ascertain whether DCOs subject to alternative compliance are in compliance with the conditions of their registration, including certain obligations with respect to U.S. persons clearing swaps.

7. Explain any special circumstances that require the collection to be conducted in a manner:

- requiring respondents to report information to the agency more often than quarterly;

The proposed rules would require daily reporting of certain margin data for the swap positions of U.S. persons, and total initial margin required for all clearing members. The purpose of this reporting is for the Commission to receive information regarding the cash flows associated with the clearing of swaps by U.S. persons through DCOs subject to alternative compliance in order to assist the Commission in analyzing the risks presented by such U.S. persons and in assessing the extent of U.S. business that is being cleared by each such DCO.

- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;

In order for the Commission to assess adequately whether a DCO subject to alternative compliance is in compliance with the terms and conditions of its registration or applicable Commission regulations, a DCO subject to alternative compliance might be required to prepare a written response to a collection of information in fewer than 30 days, depending on the exigency of the situation.

- requiring respondents to submit more than an original and two copies of any document;

Only single copies of documents are required.

- requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;

The proposal does not specifically impose any recordkeeping requirement. However, Commission Regulation 1.31(b) expressly requires that books and records required to be kept by the CEA or Commission regulations be retained for certain specified periods. Other than with respect to oral communications and records exclusively created and maintained on paper, the shortest of these periods is five years from the date of creation. The collection currently includes recordkeeping requirements for registered DCOs.

- in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;

No statistical surveys are involved in the proposed regulations.

- requiring the use of a statistical data classification that has not been reviewed and approved by OMB;

The proposed requirements do not involve the use of statistical data classification.

- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or

The requirements do not involve an unsupportable pledge of confidentiality regarding the collection of data.

- requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

The Commission has procedures to protect the confidentiality of an applicant's or registrant's data. These are set forth in the Commission's regulations at parts 145 and 147 of title 17 of the Code of Federal Regulations.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice required by 5 C.F.R. 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

The Commission is publishing a notice of proposed rulemaking (NPRM) in the *Federal Register*. The NPRM includes a request for comment on all aspects of the proposed regulations, including all aspects of the proposed information collection requirements. The NPRM will also notify the public and other federal agencies that the Commission will submit an information collection request.²

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years—even if the collection of information activity is the same as in prior periods. There may be

² See 84 FR 34819, July 19, 2019.

circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

No such circumstances are anticipated.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

This question does not apply.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulations, or agency policy.

The Commission does not provide respondents with an assurance of confidentiality. The Commission fully complies with section 8(a)(1) of the Commodity Exchange Act, which strictly prohibits the Commission, unless specifically authorized by the Commodity Exchange Act, from making public “data and information that would separately disclose the business transactions or market positions of any person and trade secrets or names of customers.” The Commission has procedures to protect the confidentiality of an applicant’s or registrant’s data. These are set forth in the Commission’s regulations at parts 145 and 147 of title 17 of the Code of Federal Regulations.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

This question does not apply. None of the required information is sensitive, as that term is used in Question 11.

12. Provide estimates of the hour burden of the collection of information. The Statement should:

- Indicate the number of respondents, frequency of response, annual hour burden and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than ten) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

- If the request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.
- Provide estimates of annualized cost to respondents for the hours burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.

The Commission estimates that approximately three existing DCOs may transition to alternative compliance, which will be a one-time occurrence, and that it will receive no more than one application for registration with alternative compliance per year. Burden hours and costs were estimated based on existing information collections for DCO registration and reporting, adjusted to reflect the significantly lower burdens of the proposed regulations for DCOs subject to alternative compliance, and a reduction in the number of DCOs subject to other requirements. See Attachment A.

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- The cost estimate should be split into two components; (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major costs factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software, monitoring, sampling, drilling and testing equipment, and record storage facilities.
- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate, agencies may consult with a sample of respondents (fewer than ten), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government or (4) as part of customary and usual business or private practices.

The costs associated with the proposed regulations are provided in the responses to questions 12 and 14. No initial/startup costs are anticipated.

14. Provide estimates of the annualized costs to the Federal Government. Also provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

The primary cost to the federal government will be the salaries and benefits for staff to process the registration applications received pursuant to § 39.3(a)(3); and to periodically review reports, disclosures, and records for compliance with the conditions of registration. It is anticipated that these costs will translate into five Commission employees at the CT-14 level, who will spend approximately 10% of their time performing these tasks. At an estimated salary cost of \$83 per hour per employee,³ the costs to the government will be approximately \$86,320.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

The proposal by the Commission would amend part 39 of its regulations to establish a regulatory framework within which the Commission may register under certain conditions a non-U.S. clearing organization in connection with the clearing of swaps. The proposal sets forth new reporting requirements pursuant to the application process for the registration with alternative compliance and ongoing compliance with conditions of such registration. Because several registered DCOs may convert to the proposed alternative compliance status, the Commission is reducing the number of registered DCOs in the current information collection.

16. For collection of information whose results are planned to be published for statistical use, outline plans for tabulation, statistical analysis, and publication. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

This question does not apply.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

This question does not apply.

³ Five employees x [.10 x 2,080 hours per year] x \$83 per hour = \$86,320. This figure is based on an average of CT-14 salaries for employees in Washington, DC and Chicago based on the Commission's CFTC 2018 Pay Chart (with adjusted locality pay). This figure does not include employee benefits.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

This question does not apply.

Attachment A

The chart below reflects only those items within this information collection that are affected by the proposal regarding registration with alternative compliance for non-U.S. DCOs clearing swaps. However, subtotals for items that are not affected by the proposal are included in order to reflect the total burden of the information collection.

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|----------------------------|------------------------------------|-----------------------------------|-------------------------------------|--|----------------------------|--|--------------------------------------|--|
| | Estimated # of Respondents | Est. Annual Reports per Respondent | Est. Total Annual Responses (1x2) | Est. Avg. No. of Hours Per Response | Est. Annual No. of Burden Hours Per Respondent (2x4) | Est. Avg. Burden Hour Cost | Est. Avg. Burden Cost Per Respondent (5x6) | Est. Total Annual Burden Hours (3x4) | Total Est. Annual Burden Cost of All Responses (1x7) |
| Reporting | | | | | | | | | |
| Subpart A⁴ | | | | | | | | | |
| Form DCO and Exhibits | 1 | 1 | 1 | 421 | 421 | \$250 | \$105,250 | 421 | \$105,250 |
| Alternative DCO Application – 39.3(a)(3) ⁵ | 1 | 1 | 1 | 100 | 100 | \$250 | \$25,000 | 100 | \$25,000 |
| Subtotal-Subpart A Changes | 2 | 2 | 2 | 521 | 521 | \$250 | \$130,250 | 521 | \$130,250 |
| Total - Subpart A (includes proposed changes to | 3 ⁶ | 3.33 | 4.33 ⁷ | 523 | 523 | \$250 | \$130,750 | 524 | \$131,000 |

⁴ Taking into account an average salary of \$75-400 per hour, the calculation uses \$250 for the burden hour estimates for Subpart A. In the Commission's experience, DCO applicants often hire outside counsel to prepare and submit their applications. While the Commission is uncertain about the billing rates that these entities may pay for outside counsel, the Commission believes that such counsel may bill at a rate of several hundred dollars per hour.

⁵ This estimate includes the requirement in proposed § 39.51(b)(3) that a DCO must designate an agent in the United States, for notice or service of process, pleadings, or other documents issued by or on behalf of the Commission or the U.S. Department of Justice in connection with any actions or proceedings against, or any investigations relating to, the DCO or any of its U.S. clearing members. The name of the designated agent would be submitted as part of the clearing organization's application for registration.

⁶ Includes 1 applicant for full DCO registration, 1 applicant for DCO registration with alternative compliance, and 1 DCO requesting vacation.

⁷ Includes 1 applicant for full DCO registration, 1 applicant for DCO registration with alternative compliance, 1 request from each applicant for extension of review (total of 2), and .33 for 1 DCO requesting vacation every 3 years.

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|----------------------------|------------------------------------|-----------------------------------|-------------------------------------|--|----------------------------|--|--------------------------------------|--|
| | Estimated # of Respondents | Est. Annual Reports per Respondent | Est. Total Annual Responses (1x2) | Est. Avg. No. of Hours Per Response | Est. Annual No. of Burden Hours Per Respondent (2x4) | Est. Avg. Burden Hour Cost | Est. Avg. Burden Cost Per Respondent (5x6) | Est. Total Annual Burden Hours (3x4) | Total Est. Annual Burden Cost of All Responses (1x7) |
| Reporting | | | | | | | | | |
| burden plus Subpart A burden not affected by this proposal) | | | | | | | | | |
| Subpart B | | | | | | | | | |
| CCO Annual Report-39.10 | 13 | 1 | 13 | 73 | 73 | \$96 ⁸ | \$7,008 | 949 | \$91,104 |
| Daily reporting-39.19(c)(1) | 13 | 250 | 3250 | 0.5 | 125 | \$46 ⁹ | \$5,750 | 1625 | \$74,750 |
| Quarterly reporting-39.19(c)(2) | 13 | 4 | 52 | 8 | 32 | \$57 ¹⁰ | \$1,824 | 416 | \$23,712 |
| Annual audited financial statements-39.19(c)(3) | 13 | 1 | 13 | 2640 | 2640 | \$196 ¹¹ | \$517,440 | 34,320 | \$6,726,720 |
| Event-specific reporting-39.19(c)(4) | 13 | 20 | 260 | 0.5 | 10 | \$76 ¹² | \$760 | 130 | \$9,880 |

⁸ This dollar estimate uses \$96, the Bureau of Labor Statistics mean hourly rate for category 23-1011, Lawyers, as of May 2018.

⁹ The dollar estimate uses \$46, the Bureau of Labor Statistics mean hourly rate for category 13-2099, Financial Specialist, as of May 2018.

¹⁰ This dollar estimate uses \$57, the Bureau of Labor Statistics mean hourly rate for category 13-0000, Business and Financial Operations, as of May 2018.

¹¹ This dollar amount takes into account an hourly cost of \$196, which represents the median per hour audit costs in the 2015 Audit Fee Report prepared by the Financial Executives Research Foundation, <http://www.financialexecutives.org/ferf/download/2015%20Final/2015-018.pdf>. The burden hours per response are consistent with the median audit hours in the FERF report.

¹² The hour burden cost is estimated at \$76 based on a weighted average of 60% of the Bureau Of Labor Statistics mean hourly wage as of May 2018 of \$96.26 for 23-1011, Lawyers, and 40% of the mean hourly wage of \$45.73 for 13-2099, Financial Specialists.

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|----------------------------|------------------------------------|-----------------------------------|-------------------------------------|--|----------------------------|--|--------------------------------------|--|
| | Estimated # of Respondents | Est. Annual Reports per Respondent | Est. Total Annual Responses (1x2) | Est. Avg. No. of Hours Per Response | Est. Annual No. of Burden Hours Per Respondent (2x4) | Est. Avg. Burden Hour Cost | Est. Avg. Burden Cost Per Respondent (5x6) | Est. Total Annual Burden Hours (3x4) | Total Est. Annual Burden Cost of All Responses (1x7) |
| Reporting | | | | | | | | | |
| Public information-39.21 | 13 | 4 | 52 | 2 | 8 | \$46 ¹³ | \$368 | 104 | \$4,784 |
| Governance disclosure - §39.24 | 13 | 6 | 78 | 3 | 18 | \$76 ¹⁴ | \$1,368 | 234 | \$17,784 |
| Subtotal-Subpart B Changes | 13 | 286 | 3,718 | 2,727 | 2,906 | | \$534,518 | 37,778 | \$6,948,734 |
| Total - Subpart B (includes proposed changes to burden plus Subpart B burden not affected by this proposal) ¹⁵ | 77 | 536 | 19,718 | 2,747 | 2,963 | | \$538,468 | 40,985 | \$7,097,584 |

¹³ The dollar estimate uses \$46, the Bureau of Labor Statistics mean hourly rate for category 13-2099, Financial Specialist, as of May 2018.

¹⁴ The hour burden cost is estimated at \$76 based on a weighted average of 60% of the Bureau of Labor Statistics mean hourly wage as of May 2018 of \$96.26 for 23-1011, Lawyers, and 40% of the mean hourly wage of \$45.73 for 13-2099, Financial Specialists.

¹⁵ The Subpart B reporting burden that is not affected by this proposal includes third-party reporting under 39.13(g) (8)(i)(B) that applies to 64 respondents, with 250 annual responses per respondent, 16,000 total annual responses, 0.2 hours per response, 50 hours per respondent, at \$46/hour for a total of \$2,300 per respondent, 3,200 total hours, and \$147,200 total for all respondents.

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|----------------------------|------------------------------------|-----------------------------------|-------------------------------------|--|----------------------------|--|--------------------------------------|--|
| | Estimated # of Respondents | Est. Annual Reports per Respondent | Est. Total Annual Responses (1x2) | Est. Avg. No. of Hours Per Response | Est. Annual No. of Burden Hours Per Respondent (2x4) | Est. Avg. Burden Hour Cost | Est. Avg. Burden Cost Per Respondent (5x6) | Est. Total Annual Burden Hours (3x4) | Total Est. Annual Burden Cost of All Responses (1x7) |
| Reporting | | | | | | | | | |
| Proposed New Subpart D-Reporting by DCOs Subject to Alternative Compliance | | | | | | | | | |
| 39.51(a)(6) - rep. of good standing | 6 | 1 | 6 | 1 | 1 | \$250 ¹⁶ | \$250 | 6 | \$1,500 |
| 39.51(b)(2)(i) - daily reporting ¹⁷ | 6 | 250 | 1500 | 0.1 | 25 | \$46 | \$1,150 | 150 | \$6,900 |
| 39.51(b)(2)(ii) - qtrly reporting ¹⁸ | 6 | 4 | 24 | 1 | 4 | \$57 | \$228 | 24 | \$1,368 |
| Event-specific notice requirements - 39.51(b)(3)(iii) and 39.51(c)(2)(iii)-(vii) ¹⁹ | 6 | 1 | 6 | 0.5 | 0.5 | \$75 | \$38 | 3 | \$225 |
| Subtotal-Proposed Subpart D | 6 | 256 | 1536 | 2.6 | 30.5 | | \$1666 | 183 | \$9993 |

¹⁶ See note 4.

¹⁷ The burden hour cost estimate uses \$46, the Bureau of Labor Statistics mean hourly rate for category 13-2099, Financial Specialist, as of May 2018. The number of responses per respondent indicates the approximate number of trading days in the fiscal year.

¹⁸ The burden hour cost estimate uses \$57, the Bureau of Labor Statistics mean hourly rate for category 13-0000, Business and Financial Operations, as of May 2018.

¹⁹ The burden hour cost is estimated at \$76 based on a weighted average of 60% of the Bureau Of Labor Statistics mean hourly wage as of May 2018 of \$96.26 for 23-1011, Lawyers, and 40% of the mean hourly wage of \$45.73 for 13-2099, Financial Specialists.

Total Reporting for Information Collection 3038-0076:²⁰

Estimated number of respondents: 86
 Estimated total annual number of responses: 21,503
 Estimated total annual burden hours (incl. 3200 for 3rd party reporting): 51,013
 Estimated total annual burden cost: \$8,035,713

Recordkeeping Requirements

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|-------------------------|------------------------------------|-----------------------------------|-------------------------------------|--|--|--|--------------------------------------|--|
| | Est. No. of Respondents | Est. Annual Reports per Respondent | Est. Total Annual Responses (1x2) | Est. Avg. No. of Hours per Response | Est. Annual No. of Burden Hours per Respondent (2x4) | Est. Avg. Burden Hour Cost ²¹ | Est. Avg. Burden Cost per Respondent (5x6) | Est. Total Annual Burden Hours (3x4) | Total Est. Annual Burden Cost of All Responses (1x7) |
| § 39.20 - Recordkeeping | | | | | | | | | |
| DCO Recordkeeping – Part 39, Subparts A and B | 13 | 1 | 13 | 150 | 150 | \$100 | \$15,000 | 1,951 ²² | \$195,100 |

Total Recordkeeping for Information Collection 3038-0076:²³

Estimated number of respondents: 13
 Estimated total annual number of responses: 1,075
 Estimated total annual burden hours: 12,571
 Estimated total annual burden cost: \$1,257,100

²⁰ Includes proposed changes to burden plus the Subparts A, B and C burden that is not affected by this proposal.

²¹ According to recent Bureau of Labor Statistics data (May 2018), the mean hourly wage of an employee under occupation code 11-3031, “Financial Managers,” that is employed by the “Securities and Commodity Contracts Intermediation and Brokerage” industry is \$100.56, which the Commission rounded to \$100 per hour in estimating the cost burden of these recordkeeping requirements.

²² The total annual recordkeeping burden estimate reflects the combined figures for 13 registered DCOs with an annual burden of one response and 150 hours per response (13 x 1 x 150=1950), and one vacated DCO registration every three years with an annual burden of one hour. The aggregate hour burden cost also has been increased by \$100 to account for the additional hour for a vacated DCO.

²³ Includes proposed changes to burden plus Subpart C burden not affected by this proposal.